Presented to the Court by the foreman of the Grand Jury in open Court, in the presence of the Grand Jury and FILED in The U.S. DISTRICT COURT at Seattle, Washington.

December 6 20 07
BRUCE RIFKIN, Clerk
By ________ Deputy

07-CR-00416-INDI

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff,
v.
CAROLYN M. GUDMUNDSON,
Defendant.

NO. CR07 0416RSM

INDICTMENT

The Grand Jury charges that:

COUNTS 1 - 11
(Wire Fraud)

A. Introduction

1. At all times relevant herein, Microsoft Corporation (hereinafter "Microsoft") was a company headquartered in Redmond, Washington, that was involved in developing, manufacturing and distributing computer software.

2. At all times relevant herein, CAROLYN M. GUDMUNDSON was employed as a Level 59, Program Manager in Microsoft's MSN Division, US-IPS Core Platform Services, with an office at One Microsoft Way, Redmond, Washington, and a residence at 11818 NE 48th Place, in Kirkland, Washington.

3. At all times relevant herein, CAROLYN M. GUDMUNDSON was responsible for maintaining Microsoft's domain name registration and renewal program and was responsible for registering, transferring, renewing, acquiring and retiring

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Microsoft domain names. CAROLYN M. GUDMUNDSON was also responsible for working with Microsoft's Trademark Group in Law and Corporate Affairs in purchasing or acquiring specific domain names.

4. At all times relevant herein, CAROLYN M. GUDMUNDSON'S mother, an individual with the initials "GMG," resided at 11011 123rd Lane NE, Apartment G48, Kirkland, Washington, and maintained Bank of America Checking Account Number xxxxx252.

5. At all times relevant herein, an individual with the initials "DAM" was employed as an Acquisition Manger for Marksman, Inc. (hereinafter "Marksman"), located in Glendale, California, an investigative service company in the business of acquiring and registering domain names and used by CAROLYN M. GUDMUNDSON to purchase domain names for Microsoft.

6. At all times relevant herein, an individual with the initials "H P-B" was employed as a paralegal for Expedia, Inc. (hereinafter "Expedia"), located in Bellevue, Washington, and whose finance center was located in Las Vegas, Nevada. HP-B was responsible for, among other things, managing Expedia's portfolio of over 600 domain names, including selecting and managing outside registrar vendors.

B. The Scheme and Artifice to Defraud

7. Beginning on or before 2000, and continuing until on or about 2004, in Redmond, within the Western District of Washington, and elsewhere, CAROLYN M. GUDMUNDSON devised and intended to devise a scheme and artifice to defraud, and to obtain money by means of false and fraudulent pretenses, representations and promises from Microsoft and Expedia, who could be and were induced to pay monies to CAROLYN M. GUDMUNDSON, and to deprive Microsoft of the intangible right of honest services.

C. Manner and Means of the Scheme and Artifice to Defraud

8. It was part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did obtain authorization from her manager to use her

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Microsoft Corporate American Express Card Number xxxx-xxxxxx-xx005 to expedite the purchase of domain name registrations, renewals and acquisitions, and would and did utilize that Microsoft Corporate American Express Card to pay for registering, transferring, renewing and acquiring Microsoft domain names.

9. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did electronically submit Travel Expense Reports to Microsoft Accounts Payable for reimbursement of expenses incurred using her Microsoft Corporate American Express Card Number xxxx-xxxxxx-xx005 that were purportedly associated with the purchase of domain name registrations, renewals and acquisitions.

10. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did submit Expense Report Confirmations without receipts attached, and would and did attach copies of receipts rather than original documents.

11. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did alter the dates and amounts of American Express receipts to support the false and fraudulent amounts claimed on Travel and Expense Reports for domain name registrations, renewals and acquisitions.

12. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did become a vendor for Expedia and would and did obtain a template for submitting invoices for reimbursement of expenses on behalf of Expedia.

13. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did cause the submission of invoices to Expedia payable to CAROLYN M. GUDMUNDSON for domain name registrations that were already paid for under terms of an agreement between Expedia and Microsoft.

14. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did falsely represent to Expedia Accounts Payable through HP-B that she had used her personal Corporate American Express Card for the registration of domain names on behalf of Expedia, and that immediate reimbursement was required.

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15. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did request Purchase Orders from Microsoft in the name of Marksman for reimbursement of monies paid by Marksman for the purchase of domain names on behalf of Microsoft.

16. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did falsely represent to Marksman through telephone calls and email messages to DAM, that a person named G. M. Lossman, residing at 11011 123rd Lane NE, G-48, Kirkland, WA 98033, was due monetary compensation for the transfer of rights to domain names to Microsoft.

17. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did request that Marksman send checks payable to G. M. Lossman to CAROLYN M. GUDMUNDSON'S Microsoft address so that she could personally deliver the checks to G. M. Lossman.

18. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did cause the submission of invoices from Marksman to Microsoft for the purchase of domain names from G. M. Lossman, many of which were already registered and owned by Microsoft.

19. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did approve invoices from Marksman for payment against one of Marksman's open purchase orders.

20. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did utilize Bank of America Checking Account Number xxxxx252 held in the name of GMG for the deposit of checks from Marksman payable to G. M. Lossman.

21. It was further part of the scheme and artifice to defraud that CAROLYN M. GUDMUNDSON would and did maintain bank checking and savings accounts, including, but not limited to, Bank of America Checking and Savings Account Numbers xxxxx166 and First Security Bank (formerly "Washington Credit Union") Account

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Number xxxxxx-7-0 for the deposit of checks from Expedia and funds transferred by wire from Microsoft and to further transfer funds originally deposited to Bank of America Account Number xxxxx252.

D. Execution of Scheme and Artifice to Defraud (Wire Fraud)

22. On or about the dates set forth below, in Redmond, within the Western District of Washington, and elsewhere, CAROLYN M. GUDMUNDSON, for the purpose of executing the aforementioned scheme and artifice to defraud and for obtaining money by means of false and fraudulent pretenses, representations and promises, did knowingly cause to be transmitted by means of wire communication in interstate or foreign commerce the following writings, signs, signals, pictures or sounds, with each such communication constituting a separate count of this Indictment:

Count	Date	Wire From	Wire To	Amount
1	June 29, 2000	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXX166 at Bank of America, Bellevue, Washington	$89,150.00
2	September 25, 2000	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, Bellevue, Washington	$80,180.00

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3	October 27, 2000	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$22,800.00
4	November 14, 2000	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$33,667.00
5	December 8, 2000	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$13,620.00
6	January 16, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$109,305.35

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7	July 2, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$16,500.00
8	July 12, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$27,520.00
9	August 15, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$112,295.00
10	September 13, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$16,140.00

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11	December 4, 2001	Microsoft Account Number XXXX-X266 at Citi Bank, in New Castle, Delaware	Troy and Carolyn Gudmundson Account Number XXXXXX166 at Bank of America, in Bellevue, Washington	$21,450.00

All in violation of Title 18, United States Code 1343 and 1346.

COUNTS 12 - 18
(Mail Fraud)

E. Execution of Scheme and Artifice to Defraud (Mail Fraud)

23. The allegations in Paragraphs 1 through 22 of the Indictment are hereby realleged and incorporated herein by reference.

24. On or about the dates set forth below, in Redmond, within the Western District of Washington, and elsewhere, CAROLYN M. GUDMUNDSON, for the purpose of executing the aforementioned scheme and artifice to defraud and for obtaining money by means of false and fraudulent pretenses, representations and promises, did knowingly cause to be sent and delivered by the United States Postal Service, or by a private or commercial interstate carrier and cause to be delivered by mail or such carrier according to the direction thereon checks in the following amounts:

Count	Date	Mailing From	Mailing To	Amount
12	April 28, 2003	Expedia, Inc., Las Vegas, Nevada, via United States Postal Service	Carolyn Gudmundson, 11818 NE 48th Place, Kirkland, Washington 98033	$17,584.25

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13	June 4, 2003	David Mitchell, Marksmen, 116 N. Maryland Avenue, Glendale, California 91206-4263, via Federal Express	Carolyn Gudmundson, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	$13,650.00
14	August 20, 2003	David Mitchell, Marksmen, 116 N. Maryland Avenue, Glendale, California 91206-4263, via Federal Express	Carolyn Gudmundson, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	$26,100.00
15	October 10, 2003	Expedia, Inc., Las Vegas, Nevada, via United States Postal Service	Carolyn Gudmundson, 11818 NE 48th Place, Kirkland, Washington 98033	$82,944.60
16	November 21, 2003	David Mitchell, Marksmen, 116 N. Maryland Avenue, Glendale, California 91206-4263, via Federal Express	Carolyn Gudmundson, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	$42,250.00
17	December 22, 2003	David Mitchell, Marksmen, 116 N. Maryland Avenue, Glendale, California 91206-4263, via Federal Express	Carolyn Gudmundson, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	$29,306.00

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18	January 22, 2004	David Mitchell, Marksmen, 116 N. Maryland Avenue, Glendale, California 91206-4263, via Federal Express	Carolyn Gudmundson, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	$42,900.00

All in violation of Title 18, United States Code 1341 and 1346.

A TRUE BILL: 12/6/07

DATED:

Signature of foreperson redacted pursuant to the policy of the Judicial Conference of the United States

FOREPERSON

JEFFREY C. SULLIVAN
United States Attorney

ANNETTE L. HAYES
Assistant United States Attorney

CATHERINE L. CRISHAM
Assistant United States Attorney

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